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An exploratory examination of philanthropy in the New Zealand, Spanish and US wine industries

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Abstract

This exploratory study provides an insight into the concept of philanthropy and how it is applied in the context of wineries. Researchers in three nations interviewed winery owners or managers to obtain qualitative data; this data was categorised to identify common themes, similarities and differences across wineries or nations. Our findings indicate that all the wineries are undertaking philanthropic activities, ranging from donations of wine, time, cash or facilities, to organising or participating in events. These activities are primarily driven by altruistic rather than strategic motivations, and the predominant benefits achieved from philanthropy are personal satisfaction rather than financial. Although only a small number of wineries were interviewed (11), this study of philanthropy is unique as it has examined both small and large businesses operating in a single industry sector, across multiple nations. Whilst the small sample is an obvious limitation of this study, future quantitative research with a larger sample will determine the degree to which these exploratory findings can be deemed to represent the global wine industry.

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1. Introduction

Wine businesses produce both jobs and economic benefits via multiplier effects. Although wine businesses tend to respond to community concerns, many stakeholders remain uncertain about the other community benefits that these businesses may generate (McCuan and Hertz, 2015). While wineries are well aware of community stewardship issues and acknowledge the importance of being environmentally mindful (Marshall et al., 2010) in order to create direct community benefits apart from economic growth or jobs, it remains unknown to what extent wine businesses are engaged in philanthropy.

The concept of philanthropy in the business world is of increasing importance. Charitable giving is becoming recognised as a visible component of a business's social performance (Brammer and Millington, 2006). In addition, there is evidence that businesses are increasingly including information about their social performance (i.e. Corporate Social Responsibility - CSR) in their annual reports or other communications to stakeholders. Bhattacharya and Sen (2004) reported that over 80% of Fortune 500 companies are now including CSR spending in their annual reports. Similarly, Porter and Kramer (2006) noted that 64% of the 250 largest multinational corporations are publishing their CSR efforts within their annual reports or in separate sustainability reports. In addition to the increased reporting of CSR activities, it has been noted that the amount that firms are spending on their philanthropic donations is increasing (e.g. Brammer and Millington, 2005). This phenomenon may be occurring because important stakeholders are more likely to measure the success of a business not solely in terms of its profitability, but also in terms of how

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it meets its broader responsibilities towards society. Indeed, Palusek (1996) reported that 75 percent of consumers would not buy products or services from a business that they did not consider to be socially responsible. Other studies have revealed a positive relationship between philanthropy and consumer purchasing behaviour (e.g. Barone et al., 2000; Becker-Olsen et al., 2006).

Given the growing importance of the concept, there are nonetheless major gaps in terms of philanthropy research. The majority of current knowledge is based on research with corporations or large businesses; smaller firms represent the majority of businesses in most economies, but have been largely overlooked in previous philanthropy research (e.g. Schaper and Savery, 2004; Thompson et al., 1993). In addition, there is very little philanthropy research outside of businesses in North America (Schaper and Savery, 2004) and no comparison of businesses in a single industry sector across multiple nations.

This exploratory study aims to begin to address these gaps in current knowledge by investigating the similarities and differences with regard to philanthropy among wineries in three countries: New Zealand, Spain and the US. In particular, we wish to learn what philanthropy means to wineries, what philanthropic activities they are involved in, which causes they support, what drives their philanthropic actions and what, if any, business benefits are achieved. This investigation provides a base for further research on philanthropic values, attitudes and motivations, to be tested and measured across a larger sample of wineries in the global wine industry.

2. Literature Review

2.1. Philanthropy

The word philanthropy literally means ‘love of mankind’ (Acs and Phillips, 2010), but in a business sense the concept of philanthropy has been defined in various ways. Payton (1988) simply defined philanthropy as voluntary action for the public good. The voluntary or discretionary nature of philanthropy have been previously noted in other definitions (e.g. Seifert et al., 2003; Wartick and Wood, 1998). Although philanthropy is generally described in the literature as being voluntary in nature, Hemingway and MacLagan (2004) note that there are growing social expectations on firms to engage in providing support for charitable causes. As most prior research has focused on large corporations, the term ‘corporate philanthropy’ is also frequently used in the literature. Wartick and Wood (1998) define corporate philanthropy as “a voluntary allocation of a firm's resources to activities that are not business related and for which there is no clear social expectations as to how the firm should perform” (p. 75). Whilst the concept of philanthropy has been defined variously in the academic literature, few prior studies have examined how it is defined by business practitioners.

Carroll (1991, 1999) describes philanthropy as one of the four dimensions of Corporate Social Responsibility (CSR). The four dimensions of CSR are the economic, legal, ethical and philanthropic responsibilities of businesses. Saini (2001) argues

that rather than viewing philanthropy as the top of the CSR pyramid, it is better viewed as a vital element in ‘corporate citizenship’. Either way, we can argue that philanthropy is a discretionary dimension; businesses must operate economically, legally and ethically, but they have a clear choice when it comes to allocating their resources to charitable or social causes. Seifert et al. (2003) state that corporate philanthropy is “the most discretionary form of corporate social responsibility” (p. 198). A business which does not undertake any philanthropic activities is not typically viewed as being an unethical business, thus reinforcing the voluntary nature of philanthropy.

Given this study's focus on the wine industry, it is pertinent to highlight some of the previous literature that has focused on the relationship between CSR and businesses operating in the alcoholic beverage sector. Yoon and Lam (2013) argue that the alcohol industry uses CSR as a form of brand marketing and promotion, despite the fact that alcohol consumption may have a negative impact on public health. Casswell (2012) similarly notes that alcohol is one of the most heavily marketed products in the world and that alcohol producers have moved beyond traditional marketing to strategies such as the sponsorship of branded sports events. To stakeholders, sponsorship of events can be thought of as a philanthropic activity and thus a component of CSR, and may be used by alcohol producers to circumvent governmental restrictions on alcohol marketing. Policies for governing the marketing of alcohol in developing nations are particularly needed as consumption and perceived resultant harm from alcohol consumption are growing in these nations (Farrell and Gordon, 2012).

2.2. Motives

What drives businesses to choose to undertake philanthropic activities? Prior research provides some insights. Some argue that businesses are motivated by altruistic drivers; these include wanting to be agents for change in local communities, seeing a need to serve society, and doing what is right for society with no thought about their bottom line (e.g. Berman et al., 1999; Campbell et al., 1999; Tsang et al., 2009). By its very nature, philanthropy driven by altruism is done unselfishly for the betterment of society with no expectation of any return for the business.

Others argue that businesses are motivated by strategic drivers: Seifert et al. (2003) define strategic philanthropy as a term describing corporate philanthropy that is aimed at helping the bottom line. Several investigations have reported that a strategic motive is more likely to be driving philanthropic behaviour in businesses today (Porter and Kramer, 2006; Saini et al., 2003; Liket and Maas, 2016) and in fact some have found no evidence of altruism as a driver of philanthropy amongst studied businesses (e.g. Moir and Taffler, 2004; Noble et al., 2008). Lee et al. (2009) claim that traditional philanthropy that is based on giving back to society, without any expectation of return, is disappearing and that business are now more likely to engage in strategic philanthropy. Other reported drivers of philanthropy include political, legitimacy, and managerial utility (e.g. Campbell et al., 2002; Sanchez,

Table 1
Business motives for undertaking philanthropy.

<i>Altruistic Motives</i>	<i>Strategic Motives</i>	<i>Both Altruistic & Strategic</i>
Berman et al., 1999; Campbell et al., 1999 Tsang et al., 2009 Wood and Jones, 1995	Moir and Taffler, 2004 Porter and Kramer, 2006 Noble et al., 2008 Lee et al., 2009 Liket and Maas, 2016	Sanchez, 2000 Campbell et al., 2002 Saiia et al., 2003 Brammer and Millington, 2005 Lahdesmaki and Takala, 2012

2000). Businesses are possibly driven by a combination of two or more motives; several researchers have suggested that philanthropy may serve the needs of society *and* also enhance the financial performance of a business (e.g. Brammer and Millington, 2005; Campbell et al., 2002; Lahdesmaki and Takala, 2012; Saiia et al., 2003; Sanchez, 2000). Table 1 provides a summary of recent literature that has examined the motives for philanthropy. To date, however, no prior research has identified the motives underlying philanthropic activity in the global wine industry.

2.3. Philanthropic activities

Regardless of the ultimate motivation, a business can choose to undertake philanthropy using a wide variety of activities. Prior research has reported that the principal form of philanthropy is cash donations given by businesses to charities (Cronk, 1988; Seifert et al., 2003). Other philanthropic activities include the gifting of products, services, facilities or managerial experience, employee volunteerism, partnerships with other organisations, sponsorship of causes or individuals, or cause-related marketing programmes (e.g. Carroll and Buchholtz, 2003; Lee et al., 2009; Seifert et al., 2003).

It has been suggested that corporate philanthropy can be classified as being either proactive or reactive in nature (see Maignan and Ferrell, 2001; Ricks, 2005). In other words, businesses can either plan their philanthropic activities in advance or they can simply act whenever they receive a request for help from a member of society. Researchers suggest that philanthropic activities driven by strategic motives are more likely to be planned and that the benefitting charities are carefully chosen to enhance the reputation of the business (Mullen, 1997; Porter and Kramer, 2002). Most businesses, especially smaller entities, are unlikely to plan their philanthropic activities or to have a formally documented philanthropy policy (Porter and Kramer, 2002; Thompson et al., 1993).

2.4. Beneficiaries

The beneficiaries of philanthropic activities have been found to include community, educational, health, sports, environmental or cultural organisations and causes (e.g. Godfrey, 2005; Seifert et al., 2004; Thompson et al., 1993; Till and Nowak, 2000). Whilst these types of organisations and causes frequently benefit from philanthropy, it is less clear whether or not the businesses themselves are benefitting from the philanthropy they undertake.

2.5. Benefits from philanthropy

Philanthropy, especially when driven by purely strategic motives, would be expected to provide a business with some form of benefit. Whilst prior researchers have attempted to discover a link between philanthropy and business performance, Godfrey (2005) summarises the findings as presenting a mixed picture. Similarly, Amato and Amato (2007) state that the relationship between philanthropy and profitability is inconclusive, whilst Siefert et al., (2003) found no empirical evidence of a relationship between philanthropy and a firm's financial performance. Conversely, two meta-analyses have provided some evidence of a positive relationship between corporate responsibility and financial performance (see, Margolis and Walsh, 2003; Orlitzky et al., 2003). Maas and Liket (2010) report that some studies have found a positive relationship between CSR and financial performance, some have found a negative relationship, and others have found no relationship at all.

It is possible that philanthropic activities may not directly affect financial performance, but may indirectly provide other benefits to a business. For example, Godfrey (2005) notes that philanthropy increases trust, loyalty and goodwill, whilst Brammer and Millington (2005) report similar benefits such as the development of favourable relationships with stakeholders, enhanced consumer perceptions, and growing employee morale and loyalty. Similarly, Williams and Barrett (2000) provide evidence of a positive link between philanthropy and business reputation. Porter and Kramer (2006) also discuss the effects of CSR initiatives on improved reputation, brand image and morale of employees, whilst Maignan et al. (2005) suggest that CSR can lead to customer loyalty, stakeholder support and enhanced reputation. Therefore, CSR can be thought of as a communication tool used to improve a firm's reputation.

Other reported indirect benefits from philanthropic engagement with the community include legitimacy or social acceptance of a business (Lahdesmaki and Takala, 2012), enhanced marketing efforts (Carroll, 2000), improved management of stakeholders (Porter and Kramer, 2002; Saiia et al., 2003), as well as brand name recognition and being able to overcome regulatory obstacles (Seifert et al., 2003). Schaper and Savery (2004) state that “businesses rely on the community to purchase their products and services, so activities that enrich society and improve its welfare will, indirectly, also help the firm” (p. 241). Brammer and Millington (2005) found that the benefits a business gains from their philanthropic activities varies across industries. In particular, they reported that

philanthropy had a significantly larger effect on business reputation in industries that exhibit negative social externalities, such as the alcoholic beverage and tobacco sectors, than in other sectors. This suggests that philanthropy would have a particularly positive effect on the reputations of businesses in the wine industry and could help to counteract the socially irresponsible behaviours and health risks frequently associated with the consumption of alcohol. Table 2 summarises the literature examining the anticipated benefits of philanthropic activities by businesses.

Although there have been numerous media reports that wine businesses are undertaking philanthropic activities, no previous study has comprehensively examined philanthropy in this industry (Teague, 2013). In their study of cause-related marketing, Till and Nowak (2000), include a case study from the wine industry. They discuss how Barefoot Cellars utilise cause-related marketing to differentiate themselves from the other small Californian wineries. Barefoot Cellars utilises neck tags on their bottles to indicate their support for various environmental or cultural causes (Till and Nowak, 2000). Cause-related marketing has sometimes drawn attention to wine businesses for all the wrong reasons. For example, Hardy, a large Australian wine producer, was criticised in mainstream media for their support in 2003 of a UK breast cancer charity, as scientists argue that alcohol consumption is a known risk factor in the development of breast cancer (www.independent.co.uk). This illustrates one of the issues facing wine producers; wine is an alcoholic beverage and is thus subject to scrutiny from a broad range of important stakeholders. High alcohol consumption has been associated with issues such as heart and vascular disease, stroke, liver cirrhosis and some cancers (Rundle-Thiele et al., 2008). It is possible that philanthropy may thus be undertaken by wine businesses as a way to counteract the negative attention that alcoholic beverage producers receive.

3. Method

Owing to the exploratory nature of this study and the scarcity of prior research into philanthropic practices in the

Table 3

Wine businesses interviewed for this investigation.

	<i>Wine Region</i>	<i>2015 Wine Production (l)</i>	<i>Ownership Structure</i>
US Wineries:			
Benziger Wines (now The Wine Group)	Sonoma	1,251,000	Public
Lange Winery	Oregon	180,000	Private
Lynmar Estate	Sonoma	90,000	Private
Spanish Wineries:			
Vivanco	La Rioja	18,000,000	Holding company
Muga	La Rioja	1,600,000	Ltd liability corp.
Grandes Vinos y Viñedos	Aragón	25,000,000	Public
R. López de Heredia, Viña Tondonia	La Rioja	225,000	Private
NZ Wineries:			
Torlesse Wines	Waipara	80,000	Private
Black Estate	Waipara	70,000	Private
Soljans Estate Winery	Auckland	350,000	Private
Astrolabe Wines	Marlborough	Would not disclose	Would not disclose

wine industry, semi-structured interviews were used to collect qualitative data. These interviews took place in early 2016 with the owners or managers of a convenience sample consisting of eleven wineries located in the United States, Spain and New Zealand (see Table 3 for details of these wineries). This study used a convenience sample of wineries from each nation; the authors had a contact at these wineries who was available to take part in an interview. However, the authors had no knowledge of what, if any, philanthropic activities these wineries were undertaking, prior to the interviews. Whilst this sample of wineries are of varying size and represent different wine regions within each nation, it is not necessarily representative of all wineries.

The interviews in all three nations employed a common set of questions that explored philanthropy at each winery. Standard questions asked of owners or managers included:

- *How would you define the concept of philanthropy?*
- *What does philanthropy mean to you?*
- *Is philanthropy a part of the mission, vision or values of your winery?*
- *Is philanthropy entirely voluntary or are you under pressure to participate (if so, where does that pressure come from)?*
- *Do your customers influence what you do in terms of philanthropy?*
- *What type of philanthropic activities do you do?*
- *Are these philanthropic activities planned or unplanned?*
- *Are these philanthropic activities aligned with the owner/manager's interests?*
- *Who is supported through these philanthropic activities?*
- *What benefits, if any, does your winery gain from engaging in philanthropy?*

Table 2

Anticipated business benefits or outcomes from undertaking philanthropy.

<i>Stakeholder relations</i>	<i>Financial</i>	<i>Marketing</i>
Carroll, 2000	Galaskiewicz, 1997	Carroll, 2000
Werbel and Wortman, 2000	Carroll, 2000	Williams and Barrett, 2000
Porter and Kramer, 2002	Margolis and Walsh, 2003	Till and Nowak, 2000
Saia et al., 2003	Orlitzky et al., 2003	
Godfrey, 2005	Godfrey, 2005 (indirectly)	Seifert et al., 2003
Brammer and Millington, 2005	Porter and Kramer, 2006	Bloom et al., 2006
Maignan et al., 2005		Porter and Kramer, 2006
		Lahdesmaki and Takala, 2012
Wang et al., 2008		
Lahdesmaki and Takala, 2012		

Once the interviews were transcribed, qualitative responses were categorised and analysed in order to identify common themes, similarities and differences among the wineries and/or nations. Permissions were provided to the authors by each winery owner in order to permit identification of both the wineries and the respondents.

4. Results and discussion

4.1. Philanthropy

In the first instance, we sought to understand how wine businesses would define the concept of philanthropy. When asked to define philanthropy, almost all of the interviewees used words such as “helping” or “giving” or “contributing”. For example, Jose Antonio Briz (General Manager of Grandes Vinos y Viñedos) stated that philanthropy is “doing or giving something to others without expecting anything in return”. Similarly, Eduardo Muga (General Manager of Muga Winery) defined philanthropy as “trying to give back to society a share of what we have received” and stated that “it is important for us to help others in less favourable circumstances.” The use of words such as ‘giving’ or ‘contributing’ suggests alignment with the definition of philanthropy by [Wartick and Wood \(1998\)](#) in which they mention the allocation of [business] resources to activities that are not business related. Our results suggest that wine businesses view philanthropy as the giving or contributing of business resources; these resources might include cash, products, venues or time.

The focus on society or community as the receivers of their philanthropic activities was also consistently mentioned by the respondents. This mirrors [Payton's \(1988\)](#) definition of philanthropy which has a focus on the ‘public good’. Calli Herzog from Lange Winery stated that it was “important to give back to the community” and Tony Soljans (Soljans Estate) in New Zealand defined philanthropy as “doing our bit in our community.” Tim Wallace of Benziger Family Winery described philanthropy as “providing things of value (cash, assets, service) to an entity in need” and talked of how they “had a very visible face in our community.” Jane Forrest-Waghorn (Astrolabe Wines) talked about philanthropy as being one of the benefits of running a business and Penelope Naish (Black Estate) also spoke of being able to use their business as a means to raise funds for causes. Interestingly, Kym Rayner of Torlesse Wines stated that philanthropy is not a term that they would ever use. In addition, none of the interviewees mentioned the terms ‘corporate social responsibility’ or ‘corporate citizenship’ during their interviews. Taken together, these responses suggest that wine businesses are not necessarily unanimous in viewing philanthropy as a dimension of CSR (e.g. [Carroll, 1991, 1999; Seifert et al., 2003](#)) or as an element of corporate citizenship (e.g. [Saiia, 2001](#)).

4.2. Motives

We next examined the motives that were driving philanthropy in wine businesses and the important influencers. The

wineries were consistent in stating that their philanthropy was entirely voluntary in nature and driven by their personal motivations to help others. In other words, this result suggests that philanthropy in the wine industry is being driven by altruistic motivations rather than by strategic reasons. For example, Calli Herzog noted that Lange Winery has “no financial motivation” related to its philanthropy. Penelope Naish (Black Estate) also stated that philanthropy was a voluntary decision for their business and that they felt “no pressure from others” to behave philanthropically. The only winery to mention tax incentives (Lynmar Estate) noted that the benefits were minimal; hence, we found that there was no indication that tax benefits arising from charitable donations was a driver for the philanthropic activities undertaken by any of the other wineries.

As a whole, respondents provided some support for previous literature suggesting that philanthropy is driven by altruistic motives (e.g. [Berman et al., 1999; Campbell et al., 1999; Tsang et al., 2009](#)). This study gives an indication, albeit from a small sample of wineries, that philanthropy in the wine industry is voluntarily and unselfishly undertaken for the betterment of society, with no ulterior motive of achieving any business benefits. These results differ from previous literature that has suggested that strategic motives are more likely to be driving philanthropic behaviours (e.g. [Porter and Kramer, 2006](#)) or that has found no evidence linking philanthropy and altruistic motives (e.g. [Moir and Taffler, 2004; Noble et al., 2008](#)). It is difficult to surmise why those in the wine industry, irrespective of business size or national location, might be driven by altruistic motives. Most of the previous philanthropy research has focused on large multinational corporations; it might be that smaller businesses may be less focused on undertaking philanthropy for strategic gains. Or it might be that the personality of those owners and managers who chose to venture into the wine industry are somewhat more community focused than those who operate in other business sectors. Further research would be needed in order to identify why altruistic motives appear, at least from our respondents, to be strongly driving philanthropic behaviour in the global wine industry.

Whilst philanthropy was voluntary in nature, some important influencers were revealed during the interviews. Calli Herzog noted that at Lange Winery “staff can make recommendations” to the business about worthy causes to support. Anisya Fritz (Lynmar Estate) and Santiago Vivanco (Vivanco Winery) also noted the influence of staff and how their businesses may support charities that their employees are involved with. At Benziger Wines, employees were allowed to take one case of wine each year to donate to their favourite cause or charity.

Several wineries also noted that their customers are important influencers in terms of the philanthropy they undertake (e.g. Benziger Wines, Muga Winery, Vivanco Winery, Soljans Estate), although when Lynmar Estate surveyed its wine club members, club members reported that philanthropy was not important to them. Similarly, Calli Herzog (Lange Winery) stated that consumers were not always aware of what they were doing philanthropically, suggesting that they therefore

had little influence on the activities that were undertaken. Jane Forrest-Waghorn (Astrolabe Wines) stated that her philanthropic activities are not really driven by customers, but they do support causes with which their employees have a personal connection or interest.

4.3. Philanthropic activities

All of the wineries, to varying degrees, are undertaking philanthropic activities; there was not a single wine business that was not engaged in some form of philanthropy. The philanthropic activities were found to range from the donation of wine, cash, time or venues, to the hosting or organising of events. Kym Rayner (owner of Torlesse Wines) noted that they are a small wine business and this means that they never give away money; this winery donates wine to support local charities, they sponsor events in the community, and the owners are on the organising committee of the annual Waipara Wine and Food Festival. Similarly, Tim Wallace (Benziger Wines) mentioned that the owners served on a number of local community boards and charities; this winery also “allowed [staff] to donate one case of wine to their favourite charities each year.” All of the wineries mentioned wine donations as being one of the philanthropic activities they undertake and this was identified as being the main form of philanthropy provided by all of the wine businesses. This result indicates that those in the wine industry primarily donate product rather than cash, and this differs from Seifert et al. (2003) and Cronk (1988) who argue that cash donations given to charities are the principal form of business philanthropy. Several of the wineries talked of their involvement in hosting charitable events at their premises (e.g. Lynmar Estate, Benziger Wines, Soljans Estate, Black Estate and Vivanco Winery). Two of the Spanish wineries (i.e. Grandes Vinos y Viñedos and Vivanco Winery) donate a percentage of revenue on specific units sold. A further two wineries (Lange Winery in the US and Muga Winery in Spain) bottle and sell a unique or exclusive wine each year with the proceeds going to charity. Eduardo Muga stated “each year we sell an exclusive wine, not available in the market, to the 300 members of a Club we created a few years ago”. Two of the New Zealand wineries (Black Estate and Soljans Estate) donate vouchers for dining in their winery restaurants. These wineries also talked about the donation of their time to host events, to help local charitable organisations, or to provide winery tours for groups of school children.

At most of the wineries, the philanthropic activities that they engaged in were both planned and unplanned (e.g. Lange Winery, Benziger Wines, Vivanco Winery, Muga Winery, Torlesse Wines, Soljans Estate, Black Estate and Astrolabe Wines). For instance, Kym Rayner (Torlesse Wines) spoke of a long-term involvement with a local Wine and Food Festival and noted that “other [philanthropic activities] are ad hoc and reactive”. Similarly, Tony Soljan (Soljans Estate Winery) stated that philanthropic activities are “both planned and ad hoc” and Calli Herzog (Lange Winery) noted that whilst some donations are allocated each calendar year, “some donations are opportunistic or ad hoc”. The planned activities were typically those

relating to charities or events that the wineries had been involved with over a long time period. The wineries also undertook activities that were unplanned and arose from ad hoc requests from either staff or the public. However, due to the large volume of ad hoc requests they received, the wineries talked about having to make decisions about which to support and which to decline. Anisya Fritz (owner of Lynmar Estate) suggested they had received over 1000 *ad hoc* requests for support each year, whilst Tim Wallace estimated the figure at about 200 requests annually at Benziger Family Winery. Some of the wineries (e.g. Lange Winery, Benziger Wines, Soljans Estate, Black Estate) talked about having a planned budget (i.e. of either a cash value or amount of wine) that they allocated to donate each year. Previous literature suggests that small businesses are less likely to plan their philanthropic activities (e.g. Porter and Kramer, 2002; Thompson et al., 1993), whilst those driven by strategic motives are more likely to undertake planned philanthropy (e.g. Mullen, 1997; Porter and Kramer, 2002). Maignan and Ferrell (2001) and Ricks (2005) stated that philanthropy can be classified as proactive or reactive; the results of this study indicate that wineries, irrespective of business size, do indeed undertake a combination of both planned (i.e. proactive) and unplanned (i.e. reactive) philanthropic activities.

4.4. Beneficiaries

We next sought to identify the causes that were supported by wine businesses through their philanthropic activities. The wineries were found to support a wide variety of causes through their philanthropic activities, although there were some commonalities identified. Several wineries indicated that their philanthropy provided support for environmental organisations or programmes (e.g. Lange Winery, Lynmar Estate, Black Estate and Torlesse Wines). Others, especially the Spanish wineries, were more likely to support health-related organisations and disability charities (e.g. Grandes Vinos y Viñedos, Vina Tondonia, Vivanco Winery, Lange Winery and Benziger Family Winery). In addition, support for areas such as education, music, sport, children and community services were all frequently mentioned by the wineries. Jane Forrest-Waghorn (Astrolabe Wines) mentioned that they “do not support anything associated with young people” inasmuch as there is not a good match between alcoholic beverages and those who are too young to consume the product. In this instance it appears that the winery does not wish to undertake philanthropy which could be construed as a way of attempting to increase the consumption of alcohol amongst younger people.

The smaller wineries had a clear focus on supporting local charities and community organisations, whilst some of the large wineries had a wider philanthropic approach that included a national or even international focus. For instance, Kym Rayner (Torlesse Wines) discussed his support for organisations or events that are based in his local Waipara region (e.g. Lions Club, golf club, wine and food festival). Conversely, Eduardo Muga of Muga Wines spoke about their support for water projects in Ethiopia, education programmes

in Haiti and street children in the Philippines. While each winery focused on some specific areas of interest, together they indicate that the wine industry is providing philanthropy to support a wide range of charities and causes. These results provide support for prior research that has identified the predominant beneficiaries of philanthropy to be community, education, health, sports, environmental, cultural or arts organisations (e.g. Godfrey, 2005; Seifert et al., 2004; Thompson et al., 1993; Till and Nowak, 2000).

4.5. Benefits from philanthropy

Finally, we examined the benefits that wine businesses perceive they gain from their philanthropy. In terms of benefits, personal satisfaction was consistently reported by all the wineries. For instance, Kym Rayner (Torlesse Wines) stated that he had a “slight sense of satisfaction that we’ve been involved in making things happen.” Similarly, Calli Herzog said that Lange Winery’s main benefit from their philanthropic activities was the personal reward and there were no financial benefits. Santiago Vivanco (Vivanco Winery), when asked about the benefits from philanthropy, stated simply that “I feel really good” and Eduardo Muga (Muga Winery) stated that “everyone feels good and proud for contributing.” Penelope Naish (Black Estate) discussed the personal satisfaction they gained from knowing they produce a product that can help others.

Aside from personal satisfaction, some wineries also mentioned benefits such as positive feedback from customers or the wider community (e.g. Muga Winery) or employees who felt proud to work for a philanthropically active business (e.g. Lynmar Estate). Tim Wallace of Benziger Family Winery stated that “we believe that philanthropy did contribute to our being recognised as a community leader.” Tim also felt that goodwill was a benefit they achieved from their philanthropy and that this contributed to increased brand awareness and brand equity. Jane Forrest-Waghorn (Astrolabe Wines) believes that their involvement with charitable or community events does provide a marketing opportunity; they are able to gain exposure by displaying banners or offering their wines for tasting at these events. Similar to many wine businesses, Astrolabe Wines is a small business and Jane Forrest-Waghorn noted that they are not big enough to advertise, so the brand exposure they achieve from their philanthropic activities is important to them. Kym Rayner at Torlesse Wines similarly hoped that people would have a kind word to say about his business because of its work in the local community; although he felt that goodwill might be a benefit that was difficult to measure. The results provide support for prior literature that has suggested there are inconclusive links between philanthropy and business benefits such as profitability (e.g. Amato and Amato, 2007; Maas & Likert, 2010).

The majority of wineries talked about personal benefits such as satisfaction or feeling good, rather than about any direct link to improved financial performance. To some extent, this may arise from the motivations of these wineries for undertaking philanthropy in the first place. With altruistic motivations dominating, these businesses may not have any expectation of

achieving financial gain and thus may not even be looking for any direct financial benefits that might arise. Whilst none of the wineries mentioned the achievement of any direct financial benefits, it is likely that benefits such as increased brand exposure (especially with donated wine), improved reputation, and goodwill in the community may indirectly improve their financial performance through increased sales and profitability. Further research would be needed to ascertain evidence of any indirect financial benefits.

4.6. Summary of findings

Table 4 provides a summary of the key findings from each of the wineries and illustrates the consistency of the results, regardless of businesses size or nationality.

5. Conclusions

The results of this exploratory study help to address some of the gaps in the current philanthropy literature. In particular, this study has interviewed both small and large businesses located in three nations. In addition, all businesses operate in a single industry sector and thus comparisons have been possible. Interestingly, the results indicate a large degree of similarity amongst the wineries, irrespective of size or national location.

Anecdotally, we believed that the wine industry is often called upon to support charities or to participate in fund raising events. This exploratory study suggests that wineries, across multiple nations, do indeed receive a lot of requests for help each year and we found that all the wineries we interviewed were engaged with philanthropy. Wineries were found to undertake a range of planned and unplanned philanthropic activities and these were focused at a local, national and even international level. Donations of wine are the most frequent philanthropic action undertaken by wineries. Our respondents appear to be driven to undertake philanthropy by altruistic motives, rather than strategic ones. This aligns with the benefits that they report they achieve from their philanthropic activities, which are primarily based on feelings of personal satisfaction rather than on any mention of direct financial gains. One respondent mentioned that philanthropy gives consumers a positive view of the wine industry as a whole, and this study does provide some indication that wineries are active philanthropically.

Brammer and Millington (2005) suggested that philanthropy is particularly beneficial to businesses operating in industries that exhibit social externalities, and thus could help enhance the reputation of those in the alcohol sector. There is also an argument that alcohol producers are cynically using philanthropy as a form of brand marketing or promotion in a way that avoids any alcohol marketing policies enforced by regulators (Casswell, 2012; Yoon and Lam, 2013); such actions are derived to increase alcohol consumption and this may have a negative impact on public health. The results of this exploratory study do not suggest that wineries are undertaking philanthropy solely or primarily as a means to directly

Table 4
Summary of key findings.

<i>Winery</i>	<i>Locale</i>	<i>Size</i>	<i>Activities</i>	<i>Causes</i>	<i>Motives</i>	<i>Benefits</i>
Benziger	US	Large	Cash donations Wine donations Volunteer time Board member	Education (schools) Churches Fire department Local community Health (children) Environment	Altruistic	Goodwill Marketing Brand exposure Brand equity
Lange	US	Small	Wine donations Wine auction	Music Health Environment Education	Altruistic	Personal reward
Lynmar	US	Small	Wine donations Event support	Environment Local community Education	Altruistic	Presence Proud employees Tax (minimal)
Vivanco	ES	Large	Wine donations Cash donations Event support % of revenue	Health Education Churches Political parties Local community National causes International causes	Altruistic	Personal reward Brand exposure
Muga	ES	Med	Wine donations % of revenue	International causes	Altruistic	Positive feedback Proud employees Brand exposure
Grandes Vinos	ES	Large	Wine donations Cash donations % of revenue	Health (disabilities) Local community	Altruistic	Personal reward
R. Lopez de Heredia	ES	Small	Wine donations Event support	Cultural Sport Youth	Altruistic	Personal reward
Torlesse	NZ	Small	Wine donations Event support	Sport Environment Local community	Altruistic	Satisfaction Goodwill
Black Estate	NZ	Small	Wine donations Cash donations Event support Volunteer time	Local community Sport Arts Organics	Altruistic	Satisfaction Brand story
Soljans	NZ	Small	Wine donations Event support Volunteer time	Education (schools) Health (hospice) Local community	Altruistic	Goodwill Recognition
Astrolabe	NZ	Small	Wine donations Cash donations	Sport Literature Local community Health (cancer)	Altruistic	Marketing Brand exposure

increase wine consumption. The aforementioned studies generally focused on the actions of very large, alcohol corporations; it may be that our results do not provide support for these earlier studies because our sample consisted of smaller, often family-owned, wine businesses. In addition, it may be that the romantic and aesthetic qualities associated with wineries means that they do not suffer from the same negative perceptions that corporate alcohol ('factory') producers are subject to, and are thus not driven to undertake philanthropy for cynical or exploitative reasons.

So, what does this study provide at a practical level to those operating in the wine industry? Firstly, it appears that wine industry practitioners are more likely to describe their contributions to society as 'helping' or 'giving' than they are to use the formal term of 'philanthropy'. This suggests that they may

be undervaluing or trivialising their efforts somewhat; this is perhaps not surprising given that the word philanthropy is most often used in mainstream media to describe the work of billionaires who donate funds to fix major global issues. Nonetheless, wineries that contribute to society should use the word philanthropy to describe what they do and they should communicate their philanthropic actions to important stakeholders (i.e. shareholders, employees, customers, suppliers and the community). Secondly, this communication may lead to the realisation of greater benefits to wineries who are undertaking philanthropic activities. Such communication could also encourage those wineries that are not presently undertaking philanthropy, to begin to incorporate these activities within their business. None of the interviewed wineries indicated that they had enjoyed direct financial benefits from

their philanthropy. However, benefits such as increased goodwill, brand awareness and reputation are likely to indirectly affect the financial performance of a business. For this reason, it is essential that wineries communicate to consumers and other stakeholders about their philanthropic endeavours. Finally, several wineries selected and engaged in philanthropic activities at the behest of their employees. Such actions may result in increased employee morale, loyalty and retention, and thus wineries should implement a process which allows employees to influence, or participate in, the philanthropic activities undertaken.

A potential limitation of this exploratory study is that the results are based on the subjective views of the interviewees, and thus some degree of over-inflation or even bias may have been introduced. Future quantitative research with a larger sample will determine the degree to which these initial results can be deemed as representing the global wine industry. That said, however, a major limitation of this study is the size of the convenience sample; a very small number of wineries were interviewed in each nation and in total. Still, this exploratory study forms the basis for the authors' ongoing research that involves a structured survey instrument and data gathering using electronic surveys, which is taking place across a larger number of wine businesses in multiple nations. This exploratory phase is thus the seed from which we can examine the concept of philanthropy across a random sample of respondents operating in a larger subset of wine producing nations (specifically Australia, France, Germany, New Zealand, Spain and the US). While there is some evidence from our exploratory data to suggest that the wine business SME context may be distinctive in terms of the motives for and barriers to participation in community support, following the suggestion of Madden et al. (2006), further work will be necessary to confirm that these practices are indeed verifiable.

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Conflict of interest

None.

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